

MT. STERLING WATER & SEWER SYSTEM

POST OFFICE BOX 392 - 300 EAST MAIN STREET
MOUNT STERLING, KENTUCKY 40353-0392

April 25, 2011

Sherri Greene
Bath County Water District
P.O. Box 369
Salt Lick, Kentucky 40371

Sherri,

Please find enclosed a notice in which the Kentucky Public Service Commission (PSC) has asked that we pass on to the 5 districts/associations, regulated by their agency, that purchase water from Mt. Sterling Water and Sewer (Mt. Sterling). This notice is in reference to Mt. Sterling's proposed rate increase which is intended to go into effect May 1, 2011, pending PSC approval.

Should you have questions or comments concerning this increase please contact either the PSC office or myself, contact information for the both of us is detailed in the notice.
Thanks.

Sincerely,

A handwritten signature in black ink, appearing to read "Rick D. Fletcher". The signature is fluid and cursive, with a large initial "R" and a stylized "F".

Rick Fletcher
Manager
Mount Sterling Water and Sewer

MT. STERLING WATER & SEWER SYSTEM

POST OFFICE BOX 392 - 300 EAST MAIN STREET
MOUNT STERLING, KENTUCKY 40353-0392

March 18, 2011

Sherri Greene
Bath County Water District
P.O. Box 369
Salt Lick, Kentucky 40371

Re: Wholesale Rate Increase

Sherri,

The purpose of this letter is to advise you that our utility, Mt. Sterling Water and Sewer, recently completed a cost of service study, related to both retail and wholesale rates. The results of this study indicated that a rate modification was justifiable. A tariff has been filed with the Public Service Commission (PSC) asking for approval to alter our current wholesale rates from \$2.07/1,000 gallons to \$2.34, an increase of 13 percent. We have requested approval that this increase be effective May 1, 2011, should this increase be approved it will be reflected in the June billing.

This notice is being provided in order to comply with a PSC statute requiring that effected wholesale customers received notice of any increase a minimum of 30 days prior to the implementation of said increase. It is unfortunate that we find it necessary to implement an increase at this time, given the state of our economy. However I hope you will understand that Mt. Sterling has not had a rate increase in three years and during that time period cost have continued to escalate, as I'm sure you are aware. In closing thank you for your understanding and cooperation concerning this matter.

Sincerely,

A handwritten signature in black ink, appearing to read "Rick D. Fletcher". The signature is fluid and cursive, with a large initial "R" and a stylized "F".

Rick Fletcher
Manager
Mount Sterling Water and Sewer

FOR Mt. Sterling, Kentucky

PSC KY NO. _____

_____ SHEET NO. _____

Mt. Sterling Water and Sewer Commission
(NAME OF UTILITY)

CANCELLING PSC KY NO. _____

_____ SHEET NO. _____

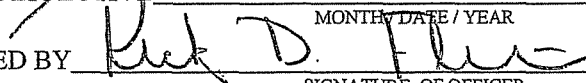
Wholesale Rate to:

Levee Road Water District
Reid Village Water District
City of Jeffersonville
City of Camargo
Judy Water Association
Bath County Water District

\$2.34 Per 1,000 Gallons

DATE OF ISSUE March 21, 2011
MONTH / DATE / YEAR

DATE EFFECTIVE May 1, 2011
MONTH / DATE / YEAR

ISSUED BY 
SIGNATURE OF OFFICER

TITLE Manager, Mt. Sterling Water and Sewer

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION
IN CASE NO. _____ DATED _____

NOTICE

Mt. Sterling Water & Sewer System ("Mt. Sterling") has filed a proposed rate schedule which will increase the rate for water service provided as follows:

	<u>Current Rate</u>	<u>Proposed Rate</u>	<u>% Difference</u>
Levee Road Water Association	\$2.07 per 1,000 gallons	\$2.34 per 1,000 gallons	13% Increase
Reid Village Water District	\$2.07 per 1,000 gallons	\$2.34 per 1,000 gallons	13% Increase
Montgomery County Water District	\$2.07 per 1,000 gallons	\$2.34 per 1,000 gallons	13% Increase
Judy Water Association	\$2.07 per 1,000 gallons	\$2.34 per 1,000 gallons	13% Increase
Bath County Water District	\$2.07 per 1,000 gallons	\$2.34 per 1,000 gallons	13% Increase

The proposed effective date is May 1, 2011.

The rates contained in this notice are the rates proposed by Mt. Sterling. However, the Public Service Commission may order rates to be charged that differ from the proposed rates contained in this notice.

Any corporation, association, or person with a substantial interest in the matter may, by written request, within thirty (30) days after publication or mailing of this notice of the proposed rate changes request to intervene. Intervention may be granted beyond the thirty (30) day period for good cause shown.

Any person who has been granted intervention by the Public Service Commission may obtain copies of the rate application and any other filings made by Mt. Sterling by contacting the Manager, Rick Fletcher, at the offices of Mt. Sterling, 300 East Main Street in Mt. Sterling, Kentucky; telephone (859) 498-0166.

Any person may examine the rate application and other filings made by Mt. Sterling by visiting the offices of Mt. Sterling at 300 East Main Street in Mt. Sterling, or by contacting the Public Service Commission at 211 Sower Boulevard in Frankfort, Kentucky; telephone 502-564-3940.